

**Village of Indian Head Park
201 Acacia Drive
Indian Head Park, IL 60525**

**PUBLIC HEARING
MEETING MINUTES
BOARD OF TRUSTEES**

“Pursuant to 5 ILCS 120/c.06 (3) minutes of public meetings shall include, but need not be limited to a general description of all matters proposed, discussed, or decided and a record of votes taken.”

Tuesday, January 8, 2013

7:30 p.m.

CALL TO ORDER –MAYOR RICHARD S. ANDREWS

The special meeting public hearing of the Village of Indian Head Park Board of Trustees was held on Tuesday, January 8, 2013 at the Municipal Facility, 201 Acacia Drive, and was called to order at 7:30 p.m. by Mayor Richard Andrews. Village Clerk Joseph Consolo called the roll as follows:

ROLL CALL: JOSEPH CONSOLO, VILLAGE CLERK

PRESENT (AND CONSTITUTING A QUORUM):

Mayor Richard S. Andrews
Trustee Debbie Anselmo
Trustee Brian T. Bailey
Trustee Anne Bermier
Trustee Norman L. Schnauffer
Trustee Dennis Schermerhorn
Trustee Matt Walsh

ALSO PRESENT:

Frank Alonzo, Chief of Police/Administration

Joseph V. Consolo, Village Clerk

Brian Baugh, Counsel, Storino, Ramello & Durkin

PLEDGE OF ALLEGIANCE TO THE FLAG

Mayor Andrews and the Board of Trustees led the audience in reciting the Pledge of Allegiance to the Flag: *"I Pledge Allegiance to the Flag of the United States of America and to the republic for which it stands, one nation under God indivisible with liberty and justice for all"*.

PRESENTATION OF THE VILLAGE OF INDIAN HEAD PARK ELECTRIC AGGREGATION PLAN OF OPERATION AND GOVERNANCE

Mayor Andrews stated the purpose of the public hearing this evening is to conduct the second required public hearing regarding the Village of Indian Head Park Electric Aggregation Plan of Operation and Governance and also to receive public comments. He noted the presentation this evening will be a repeat of the items discussed at the first public hearing held on December 19, 2012. He noted the objective is to comply with requirements to conduct two public hearings on this matter, to move forward through the process and for the Board to consider and pass an aggregation plan of operation and governance at the Board meeting on Thursday, January 10, 2013.

Mayor Andrews stated Brian Baugh, the Village's counsel, will provide a presentation this evening, questions or comments will be entertained from the audience then the Board will discuss the electric aggregation.

Brian Baugh, the Village's counsel, stated the meeting this evening is the second hearing regarding the electric aggregation which is required by Illinois State Statute before the Village can establish its electric aggregation program. He noted the purpose of the public hearing is to take public comments concerning the Village of Indian Head Park Electric Aggregation Plan of Operation and Governance, a copy of which has been publicly posted on the Village's Website as well as available for reference in the Village Clerk's Office during regular business hours. Counsel Baugh summarized the following with regard to the electric aggregation process:

(1) if the plan is established it will allow the Village to solicit competitive proposals and enter into a contract with an electric provider to provide electricity to the Village residents and small commercial and retail businesses who have not opted out of the program; (2) after the Village enters into a contract with an electric supplier, notice will be sent to the residents and small retail and commercial businesses allowing them to opt out within an eighteen (18) day period upon receipt of the notice; (3) after that period, those users may opt out of the program. However, an early termination fee may be imposed; (4) additionally the plan provides not less than every two years the supplier will provide additional notice to users who are in the program giving them an opportunity to opt out without an early termination fee; (5) the plan itself governs how the program will be implemented by the Village which includes the following; the responsibility of the Village in implementing the program, a process for requesting proposals from electric suppliers, the minimum terms and conditions in the power supply agreement to be entered into by the Village and the power supplier and; (6) the format of the opt out notice that will be sent to residents and small commercial and retail users.

Mayor Andrews stated the Village initiated the electric aggregation process last summer by approving an ordinance to place the electric aggregation matter on the ballot in November, 2012. He noted the electric aggregation was approved by the majority of the voters of Indian Head Park at that election. Mayor Andrews stated the Board is required to conduct two public hearings to receive public input before adopting the electric aggregation plan of operation and governance before seeking requests for proposals from electric suppliers. Mayor Andrews asked Counsel Baugh if the early termination fee would be covered in the bid process. Counsel Baugh responded, yes.

PUBLIC COMMENTS FROM THE PUBLIC

Greg Fiflis, of Sequoya Lane, stated he did not yet have an opportunity to review the Village's Plan of Operation and Governance with regard to the electric aggregation. He asked are there requirements the Board would be asking for from the electric suppliers and the parameters to accept bids. Counsel Baugh stated the Village's Electric Plan of Operation and Governance document sets forth various requirements for electric suppliers. He summarized some of the items in the Plan of Operation and Governance as follows that would be requested from bidders: (1) the contents of any proposal would include the term and number of years the agreement would be; (2) the type of power mix (how much power would be supplied from a renewable energy source or other sources);

(3) the rate for the electricity; (4) various Statute required disclosures; (5) opt out notifications; (6) customers who might be added mid-term; (7) qualifications of the supplier; (8) any sub-contractors that the supplier might utilize; (9) certain confidentiality requirements on how new customer accounts would be handled; (10) how customer service issues would be handled; (11) the moving of accounts; (12) early termination fees and; (13) how billing would be handled. He further noted, the electric bill will still come from Commonwealth Edison who owns and maintains the utility lines and equipment.

Mayor Andrews mentioned Commonwealth Edison and Exelon are affiliated but a new supplier would not change the billing process. Counsel Baugh stated Exelon currently supplies power to Commonwealth Edison who owns and maintains all electric infrastructure. He noted even if Exelon is no longer the supplier and a new power supplier is selected, that company will still provide power to Commonwealth Edison for the power to be delivered by Commonwealth Edison infrastructure. Mayor Andrews asked Counsel if it is strictly up to the Village to determine what type of power to be requested from bidders such as how much would be from a renewable energy source or other source. Counsel Baugh stated the Village can request proposals based on what the Village wants the energy mix to be whether it is 100% non-renewable energy or a combination of any energy sources including renewable energy, and the rates would be based on that specification.

Amy Wittenberg, of Timber Ridge Court, asked if the request for proposal from electric suppliers or the Commonwealth Edison agreement covers any service level agreements, how electric service disruptions or power outages would be handled and if service level issues would be incorporated in the Plan of Operation and Governance. She asked if there are power outages would residents still call Commonwealth Edison and also would the power supplier have a service level agreement contractually also with Commonwealth Edison if there is an issue not related to transmission of power. Mayor Andrews stated Commonwealth Edison will continue to supply the electricity and if there is a shortage of electricity, they will go out on the market to find the supply of power that is needed. Ms. Wittenberg stated she has not been involved before in an electric aggregation contractual process and was just wondering how other municipalities address those issues. Trustee Dennis Schermerhorn stated in the State of Illinois electric service providers need to be certified and they are subject to requirements of the State of Illinois Electric Commission which requires a particular level of service. Therefore, the service level would be determined between the service provider and the State of Illinois Electric Commission.

Trustee Schermerhorn further stated the State of Illinois Electric Commission requires that if a provider cannot supply service, there must be an alternate agreement with another provider.

Counsel Baugh further stated (1) if the Plan of Operation and Governance is adopted the Village would seek bids from registered electric suppliers in the State of Illinois that went through the process of registration as an electric supplier through the Illinois Commerce Commission; (2) electric suppliers would be provided with a bid packet that includes specifications for submitting a proposal to the Village of Indian Head Park to provide electric to the community; (3) the purpose of the electric aggregation process is to provide electric power to the residents and small commercial users at possibly a reduced rate as a group within the community lower than the rate currently offered by Commonwealth Edison; (4) residents and small businesses would still receive a bill from Commonwealth Edison who is still responsible for delivering the power to the community; (5) Commonwealth Edison is neutral on who provides power whether it is their sister company Exelon or another provider; (6) Commonwealth Edison will continue to maintain the electric lines, utility poles and equipment for the transmission of power from generated sources; (7) the electric aggregation plan was drafted in accordance with the requirements of Section 192 of the Illinois Power Agency Act; (8) as part of Chapter 20 of Illinois State Statute the Village is following the procedures of the electric aggregation program; (9) in August, 2012 the Village passed an ordinance to place a referendum question on the November ballot. That referendum passed by majority vote of the residents in the community; (10) the Village is proposing to operate the electric aggregation program as an opt out program; (11) residents will automatically be included in the Village's program unless they have decided to opt out; (12) there will be no disruption in electricity to residents after the cut-over date as the result of a change in the electric power company; (13) there will be an opt out period, residents will receive a notice from the power supply company advising residents of a cut-over date; the Village will not sign a contract with an electric supplier unless there is a cost savings to residents; (14) if someone does not opt out, they will automatically become a customer of the electric supplier selected by the Village; (15) the plan currently proposes that each electric supplier provide the Village with a price for energy that meets the minimum requirements for the supply of electricity through Commonwealth Edison's system as well as prices for renewable energy produced through hydro-electric plants powered by windmills, energy produced by partial renewable energy sources; (16) once the bids are received from various suppliers, the Village can compare the various proposals and determine the best source and to select a power supplier and enter into a contract;

(17) if the bid process for electricity comes in higher than anticipated, the Village can reject any and all bids and seek new bids; (18) some communities have decided to join with other communities who have approved the electric aggregation plan to seek rates together to possibly receive a better rate than an individual community; (19) the aggregation plan has customer service standards requiring a power supplier to have customer service provided by telephone, the electric bill will continue to come from Commonwealth Edison and residents will continue to call Commonwealth Edison for electric service disruptions or billing related questions regardless of the power supply company that is selected; (20) there will be a separate line item on the bill from Commonwealth Edison, one for ComEd delivery charges and a line item with the rate for the supply of power; (21) the power supplier will maintain a call center with a toll-free number and also a website and the initial term of the agreement with any power supplier will be at least one year. The Village may also seek bids for two or three year contracts; (22) if a resident moves from one location in the Village to another, there will be no fee charged by the electric power supplier to maintain the service with the current provider, the electric power supplier is required to report to the Village as well as the Illinois Commerce Commission the amount of power being provided to the community and if there is any renewable energy provided and; (23) the plan allows for amendments to the agreement if there are any changes to the rules or regulations for power suppliers.

Trustee Walsh stated the Village can request in the bid specifications to electric suppliers that prices for certain options such as renewable energy sources as well as a combination of other sources be provided. Mayor Andrews stated that one of the requirements in a bid proposal would be that the supplier demonstrate they have the sufficient sources of power to provide to the community as well as certification requirements from the State as a power supplier.

Carol Coleman, of Acacia Circle, stated she lives in the 129 Wilshire Green Condominium building and asked if the common areas that are served by electricity at Wilshire Green would be considered small commercial user or residential. Counsel Baugh stated he believes any common areas that have electricity provided would be considered residential in a residential development area. Trustee Schermerhorn stated that it was mentioned at a previous meeting that if a condominium building has electric heat, a reduced electric rate may already be given to that development area and therefore might be excluded from the Village's program based on the contractual agreement with that power supplier.

Mayor Andrews stated it is his understanding a special discounted rate is given if a condominium building is all electric service. Trustee Schnauffer stated that Commonwealth Edison has given a discounted rate for a condominium building that has electric heat. Mayor Andrews stated that Commonwealth Edison has criteria for residential and small commercial. If anyone uses over 15,000 kilowatt hours per year, residential or commercial, they would not be eligible to participate in the aggregated price. Mayor Andrews further stated there is also a peak demand component whereby if someone uses below 15,000 kilowatt hours per year but has a peak demand kilowatt hour above a certain level, that person or business would also not qualify for the aggregated price.

Trustee Walsh stated that in most circumstances a resident would not use enough power to exceed 15,000 kilowatt hours of electricity and some small businesses would not use that much electricity either. Carol Coleman stated she hopes the telemarketing calls from electric suppliers to residents will stop once the Village selects a power supplier.

Tom Hinshaw, of Shabbona, stated at the last meeting it was stated there are no financial incentives to the Village for the electric aggregation process or extra costs to get the referendum on the ballot. He asked about the estimated costs to the Village to implement the electric aggregation. Mayor Andrews stated there are routine administrative costs such as review and preparation of various documents by counsel for approval through the bidding process and implementation of the electric aggregation program. Trustee Bermier stated some Villages had increases in spending because they hired a consulting firm with regard to the electric aggregation. She noted the Village did not hire a consultant. Mr. Hinshaw stated the Village of Indian Head Park Electric Aggregation Plan of Operation and Governance looked great and he stated there was a cost for that document to be prepared. Mayor Andrews stated the plan was provided by legal counsel. Mr. Hinshaw stated the Village's legal firm represents many Villages so possibly Indian Head Park was able to benefit from a plan that was already developed for other communities that approved the electric aggregation.

Eileen Karchine, of Wilshire Green, asked if Indian Head Park is working with any other surrounding Villages who already have approved the aggregation process to possibly obtain lower electric rates. Mayor Andrews stated Indian Head Park is working on its own electric aggregation plan. Amy Wittenberg stated counsel mentioned some Villages could join together and she asked if it is a possibility to create a volume agreement with other entities for possibly lower rates.

Mayor Andrews stated nothing has been ruled out but rather than delay the electric aggregation process, it is beneficial to residents to keep things moving because not every community has taken the electric aggregation route. Mayor Andrews stated by potentially joining a bigger pool, there is a possibility that it would come to a vote although Indian Head Park was in favor of it, someone else might vote it down to decide to go their own route. Any Wittenberg stated as an idea the Village could put in a request for proposal various options in the beginning for volume discounts at different levels of service with a matrix pricing which could maybe be accommodated at a later date without renegotiating contracts.

Mayor Andrews stated these are good ideas. Counsel Baugh stated there is potential to take these items into consideration when the Village develops the request for proposal.

Chris Metz, of Arrowhead Court, inquired what would be the terms of the contract and if the Village has the option of not taking any bids. Mayor Andrews stated the terms of the contract have not yet been decided and will be set at a later date. However, counsel mentioned the Village could enter into a one, two or three year contract and proposals would be requested that cover all possibilities. Trustee Walsh stated the Village can reject any and all bids and cannot accept a bid unless it provides a savings. Mayor Andrews stated when the bids from electric suppliers are received those will be made available to the public.

Eileen Karchine, of Wilshire Green, asked how the Village would know if an electric supplier is reliable. Mayor Andrews stated in the Indian Head Park Plan of Operation and Governance there is a section that defines qualifications of electric suppliers that would respond to the request for proposal. That section in part states the supplier must demonstrate it can provide sufficient sources of power to the aggregation customer, maintain a license as a power supplier with the Federal Regulatory Commission, maintain a Certificate of Authority from the State of Illinois as a certified retail electric supplier and any and all other licenses or certifications required by the Illinois Commerce Commission as well as other qualifications defined in the Plan of Operation and Governance Plan. Mayor Andrews stated the Board will make its decisions based on all of those requirements.

Trustee Brian Bailey stated that the Board will make sure the electric provider selected is a reputable company and has done work in other Villages.

Amy Wittenberg asked if a list of criteria or framework criteria plan by priorities would be available that would be used by the Board to evaluate vendors that submit proposals to supply electricity to the Village such as references, financial stability or categories for various sources of power with prices. Mayor Andrews stated there are seven members on the Board to make decisions, everyone has an idea that might be more important to them than another person, but all input is received and taken into consideration collectively from the entire Board before a decision is made based on the knowledge, experience, and facts before the Board on any matter. Mayor Andrews further stated that all bidders will need to comply with various requirements to submit a proposal including the items noted in the Plan of Operation and Governance. Mayor Andrews stated the proposals will include many options for the Board to consider.

Carol Coleman stated that in the Village of Oak Lawn residents received a letter regarding the electric aggregation from the electric supplier as well as Commonwealth Edison that was very easy to understand and user friendly about how the process would work. She added possibly the electric supplier for Indian Head Park would send similar notices to residents about the process. Carol Coleman stated she already entered into a contract individually with an electric supplier. Counsel Baugh stated if someone already is under contract with a supplier they cannot be included in the Village's program. However, someone on their own under contract would be able to contact their supplier and cancel the contract and pay whatever termination fee there would be then that person can opt in the Village's program if they choose to do so.

COMMENTS FROM THE BOARD OF TRUSTEES

Mayor Andrews stated he hopes the Indian Head Park Plan of Operation and Governance will be approved at the Board meeting this week and move forward to seek bids and perhaps accept bids at the February 14, 2013 meeting. Mayor Andrews stated it is important for the Village residents to keep moving forward to possibly save residents money on their electric bills.

Mayor Andrews asked if a waiver of the termination fee can be requested in the bid specifications should someone decide to opt out if they choose at no fee. Counsel Baugh stated the Village can put that request on the bid specifications but the maximum termination fee a company can charge is \$25.00. Mayor Andrews stated a resident asked if their bill would still come from Commonwealth Edison on one bill even if there is a different supplier. Counsel Baugh stated, yes.

Mayor Andrews stated that a resident asked if they have set-up auto-pay for their bill on-line to be paid to Commonwealth Edison by their bank, would there be any change to that process if an alternate electric supplier is selected. Counsel Baugh responded, no.

Trustee Bermier stated that Commonwealth Edison is planning to change its rates in May or June. She asked if Commonwealth Edison decreases the rate, can the Village request a supplier to provide a rate lower than Commonwealth Edison. Mayor Andrews stated the rate can be negotiated with the supplier in the contract.

Mayor Andrews stated the Plan of Operation and Governance defines the requirements for contents of a proposal to the Village with a number of different factors and the Board will ask for all of those items in the proposal at a minimum with additional items that may be discussed and incorporated. Trustee Bailey stated if there are any ideas someone might have that would be helpful, the Board would welcome them.

Trustee Schermerhorn stated with regard to the suggestion of preparing a matrix for proposals that are received, the primary objective is to receive a lower rate for the residents, all suppliers will be qualified if they meet the criteria in the plan of operation and governance and all suppliers are strictly regulated. Mayor Andrews stated the Board's objective is to try to save residents money, to get the plan in place as soon as possible and select a good power supplier. Mayor Andrews further stated there are always differences of opinions, the Village of Riverside went with electric aggregation, resident input favored an all green bid that made the cost higher than an all brown bid and the elected officials in Riverside made the decision based on resident input.

Mayor Andrews stated the Board will review all proposals for all sources of energy and will discuss it when the bids come in. He added there are mechanisms in place, such as "opt-out", that allow everyone to make a decision on what is best for their individual needs.

ADJOURNMENT

There being no further business to discuss, Trustee Walsh moved, seconded by Trustee Schermerhorn, to adjourn the regular Board meeting at 8:35 p.m. Carried by unanimous voice vote (6/0/0).

Respectfully submitted,
Kathy Leach, Deputy Village Clerk/Recording Secretary